

Adult Overview and Scrutiny Committee
Thursday, 27 February 2020

REPORT TITLE:	Financial Monitoring Report Quarter 3 2019/20
REPORT OF:	

REPORT SUMMARY

This report sets out the financial monitoring information for the Adult Overview & Scrutiny Committee. The report provides Members with detail to scrutinise budget performance for this area of activity. The financial information covers the financial information as at quarter 2 2019/20.

Information has been drawn from the relevant sections of the most recent Cabinet revenue and capital monitoring reports and combined with additional relevant service information to produce a bespoke report for this Overview & Scrutiny Committee. The report includes the following:

- Performance against the revenue budget (including savings).
- Performance against the capital budget.

RECOMMENDATION/S

That Members of the Adult Overview and Scrutiny Committee note the report and appendices and give their views.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Overview and Scrutiny Committees receive regular financial updates throughout the year. These allow Committees to understand the financial position of the Council and to scrutinise decisions and performance as required.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not applicable

3.0 BACKGROUND INFORMATION

3.1 Capital Programme 2019/20 Position

Table 1 – Capital Monitoring at Quarter 3

	Capital Strategy <i>(as agreed at Council)</i>	Proposed Programme
	£m	£m
Adult	6.747	2.417

- 3.1.1 Table 1 provides an update on the 2019/20 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2019. These include the inclusion of additional grant funded schemes, variations to spend forecasts and the re-profiling of expenditure into and out of the 2019/20 financial year. Further detail is provided below.

3.1.2 Adult

- **Alcohol Treatment** (£0.406m increase): Part of an overall grant of £6 million allocated to 23 authorities. The aim is to assist local authorities to prioritise alcohol treatment, invest in equipment and facilities and ensure that treatment expertise is enhanced to better meet the needs of people with alcohol problems.
- **Community Intermediate Care** (£0.500m decrease): The allocation of the original council funding is now under review due to possible alternative funding. This allocation is deferred to 2020/21.
- **Extra Care Housing** (£2.110m decrease): Two Extra Care developments which have been awarded Council grant are on currently on site. Barncroft is scheduled for completion in January 2020 and will provide 21 units of Extra Care and the Woodpecker Close site is scheduled for completion in September 2020, providing 78 units. No other developments are planned for this year.
- **Learning Disability Extra Care Housing** (£3.0m decrease): Demand is less than expected due to the private sector finding alternative funding sources to back their developments such as through the supported living regime.

3.2 Revenue Programme 2019/20 Position

3.2.1 Adult Care and Health: Forecast - £0.896m Adverse Variance Position

- The Quarter 3 financial forecast position remains broadly stable and consistent with the Quarter 2 forecast, although a small improvement is evident (£0.069m). Demand for services is the key driver of risk in Adult Care and Health and is the cause for the current adverse forecast position. Failure to achieve the corrective action that is in progress would result in a net budget deficit at year-end.

Since Quarter 2, budget adjustments have been made to better reflect funding arrangements within the Service (neutral impact across the Council) and to accommodate Council structure changes, with the Intelligence Team moving into Public Health Service Area.

Table 2: Adult Care & Health 2019/20 Full Year Revenue Budget and Forecast Position

	Full Year				
	Budget	Forecast	Variance		Adv/Fav
	£000	£000	(+ Fav, - Adv)	%	
Directorate Items					
Health & Care Outcomes	92,867	91,672	1,195	1%	Favourable
Integrated Commissioning Programme	(2,979)	253	(3,232)	-108%	Adverse
All Age Disability Service	1,552	457	1,095	71%	Favourable
Health & Wellbeing	496	451	45	9%	Favourable
Directorate (Surplus) / Deficit	91,936	92,832	(896)	-1%	Adverse
Support / Admin Building Overhead	3,549	3,549	0		
Total (Surplus) / Deficit	95,485	96,381	(896)	-1%	Adverse

3.2.2 Health & Care Outcomes

- There is an adverse forecast relating to care packages, due to increased demand for domiciliary care packages. This is partially mitigated by reduced demand for long-term residential care and direct payments.
- These pressures are offset by a favourable forecast relating to income. Due to an overall increase in demand for social care services, the income budgets for client charges and NHS joint funding are forecast to be in surplus. Additional grant income accounts for the remaining surplus balance.

3.2.3 Integrated Commissioning Programme

- A net forecast budget deficit of £3.232m has been recorded, caused by increasing demand and acuity in care packages. This is inclusive of mitigation through the anticipated use of £2.200m of social care reserves.

3.2.4 All Age Disability Programme

- The forecast budget surplus stems from staff vacancies and income from the

national Social Care Support Grant.

3.2.5 Health & Wellbeing

- A minor, positive, forecast budget variance of £0.045m is evident here following Council structure changes – the Intelligence Team has moved into the Public Health Service Area. The favourable forecast within this area is due to vacancies within the team.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The financial implications of this report are discussed throughout the report. This is essentially a financial monitoring performance update report.

5.0 LEGAL IMPLICATIONS

- 5.1 There are none arising directly from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 There are none directly relating to this report. The monitoring of financial performance is important to ensure robust financial control procedures are in place. The Council faces financial challenges in this period as it seeks to increase income, reduce costs whilst transforming its approach to services. There is a risk in future years that the Council does not achieve a planned approach.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 No consultation has been carried out in relation to this report.

9.0 EQUALITY IMPLICATIONS

- 9.1 No because there is no relevance to equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 This report has no impact on emissions of CO2

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APPENDICES BACKGROUND PAPERS

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Budget Council	4th March 2019
Cabinet – Financial Monitoring Outturn 2018/19	22nd July 2019
Cabinet – Quarter 1 Financial Monitoring 2019/20	2nd September 2019